January 1984

Pension World

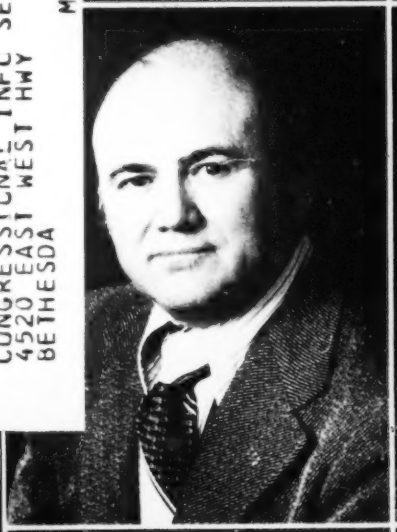
The Magazine for Plan Sponsors and Investment Managers/ A Publication of Communication Channels, Inc.

1983 PENSION WORLD Employee Benefits Awards

Everett T. Allen, Jr.

Theresa B. Stuchiner

Nathan Smith



Carl J. Blechinger

Eugene B. Burroughs

Dallas L. Salisbury

PEN31025709 021
A SCHWARZ
CONGRESSIONAL INFO SERV 3DG
4520 EAST WEST HWY
BETHESDA MD 20814

A Policy Maker's View

Manager Profile: New England Life

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8th Annual ERISA Compliance Calendar

Pension World

January 1984
Volume 20 Number 1

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***Cover:* *Pension World* salutes six individuals who have made outstanding contributions to the pension industry. Our tribute to these individuals and their accomplishments begins on page. 13.**

BPA

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NEWS Pension World

VOLUME 20 NUMBER 1 JANUARY 1984

1984 salary budgets reflect caution

■ Salary-increase budgets for exempt employees in U.S. companies are projected to average 6.8 percent of payroll in 1984, acccording to a new study by The Wyatt Co.'s Executive Compensation Service (ECS).The study, the ECS Top Management Report, was based on responses from 550 companies in 50 industries, representing a cross section of American business.

According to the report, although the salary-increase budgets are above the projected C.P.I. increase for 1984, companies are working to control salary expenses. The average increase of 6.8 percent budgeted for 1984 is below the 7.9 percent figure that companies planned for 1983. However, the survey showed that there are indications that some industries are more cautious than others, reflecting differing economic outlooks for 1984.

Projected 1984 salary-increase budgets by industry are listed in the accompanying chart.

The highest salary-increase budgets were in the cosmetics industry, with an average of 8.4 percent. The lowest budgets were among iron and steel producers, who reported an average of 5.5 percent. The widest range was among utilities, where projections stretched from 3.0 to 11.5 percent. The narrowest range was among retail companies, where projections ranged from 5.0 to 8.0 percent.

Iron and steel industries reported the least aggressive projections due to the channeling of its working capital to plant and equipment expenditures. However, the projections of the utilities were surprisingly high, indicating that the industry may be resuming spending on salaries, which had recently experienced downward pressue due to previous runaway increases in costs.

Projected 1984 Salary-Increase Budgets

	Average	Lowest Reported	Highest Reported
Iron and steel producers	5.5%	5.0%	6.0%
Chemicals	6.3	3.0	10.8
Machinery manufacturing	6.3	3.5	10.0
Food products	6.5	2.0	9.0
Construction and materials	6.6	4.5	10.0
Durable goods manufacturing	6.7	2.0	10.0
Retailing	6.9	5.0	8.0
Financial and business services	7.0	3.0	10.0
Utilities	7.2	3.0	11.5
Wholesale trade	7.3	4.0	11.5
Cosmetics	8.4	6.5	13.0
ALL INDUSTRIES	6.8%	2.0%	13.0%

133 ISCEBS members receive designations

■ The International Society of Certified Employee Benefit Specialists (ISCEBS) has granted the first fellowship designations to 133 society members who successfully completed a two-hour, 100-question examination covering contemporary issues and recent legislative and regulatory changes.

Developed by the Wharton Schooi of the University of Pennsylvania, the fellowship exam provides ISCEBS members with an opportunity to stay current in the benefits field and is good for a two-year period.

ISCEBS is a non-profit organization composed of those holding the Certified Employee Benefit Specialist (CEBS) designation granted by the Wisconsin-based International Foundation for Employee Benefit Plans and the Wharton School.

Chemical Bank starts investment company

■ Favia, Hill & Associates has been formed by Chemical Bank, New York, as an independent investment management company. It will manage investments for corporations, unions, public employees, and non-profit and charitable organizations. A team of two senior portfolio managers of Chemical Bank's Trust and Investment Division, Jack Favia and Bob Hill, will run the new investment management affiliate.

New enterprises formed by Provident Insurance

■ Provident Life & Accident Insurance Co., Chattanooga, Tenn., has formed a new affiliate, Health Point Corp., and a Carolina-based subsidiary, Health Point Preferred, Inc.

Health Point's main goal is to contribute to the cost-effective delivery of quality medical and dental care.